From: "Stan Sokolowski" <ssokolowski@cifc.com> [63.138.163.190]
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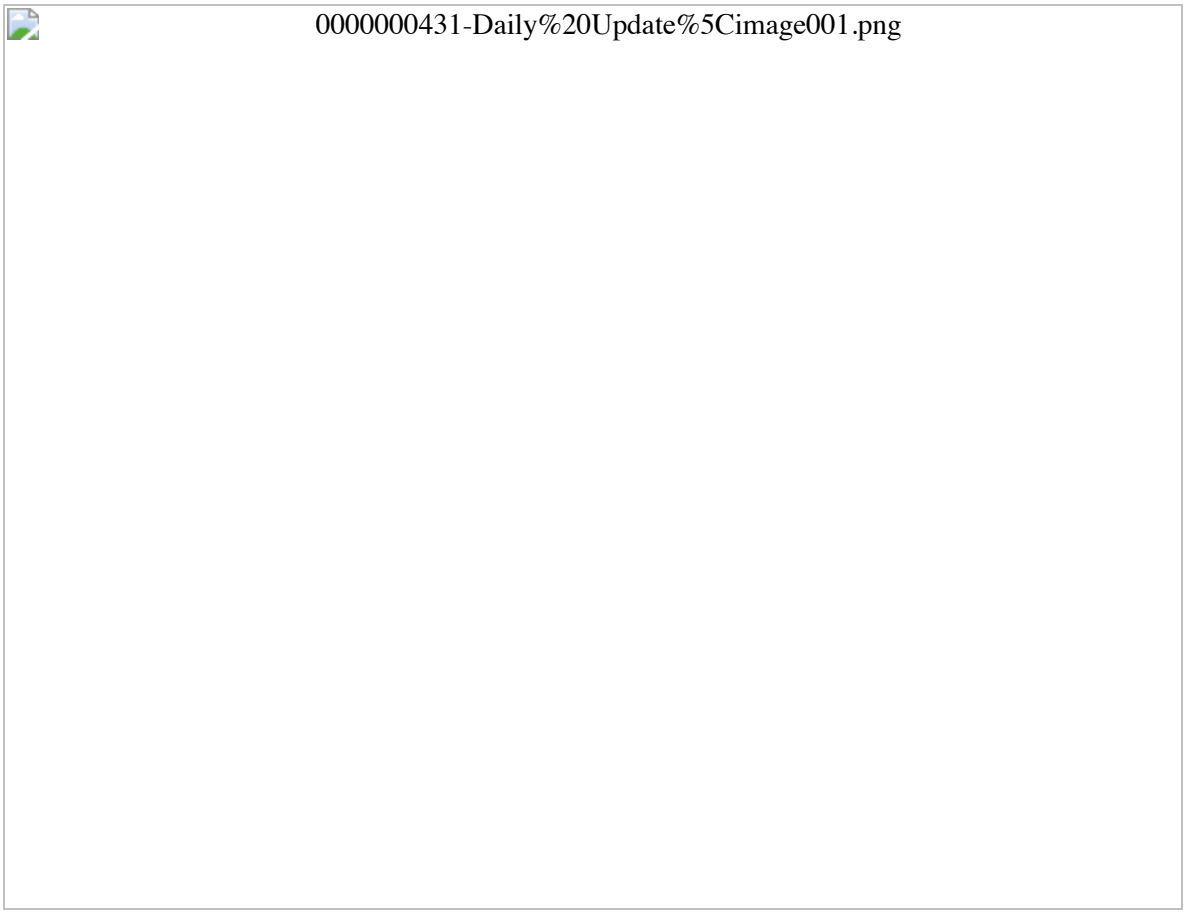
Date: 5/5/2016 2:49:49 PM UTC
Subject: Daily Update

NICE WORK TEAM!
(Let's do it again in 2016!)



Creditflux Award Winners (May 4, 2016)

Manager of the Year
Best High Diversity CLO
Best US High Yield Fund
Best CLO Fund

Quote of the Day

"Sometimes your best investments are the ones you don't make." – Donald J. Trump

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- It's a little better this morning after a couple of days of softness in asset prices. Oil is doing more of the same (jumpy as usual) – up ~4% today (mainly on concerns over the civil war in Libya and wildfires in Canada), the US$ is a bit better and Asia is quiet (because its mostly on holiday this week). Vol remains low (see chart below). Chatter is growing again about a slowdown in growth. There are some market signals that reconcile with the bearishness out there. Stay alert. Fitch put out a report yesterday calculating the sum of

government bonds worldwide with negative yields. The headlines are:

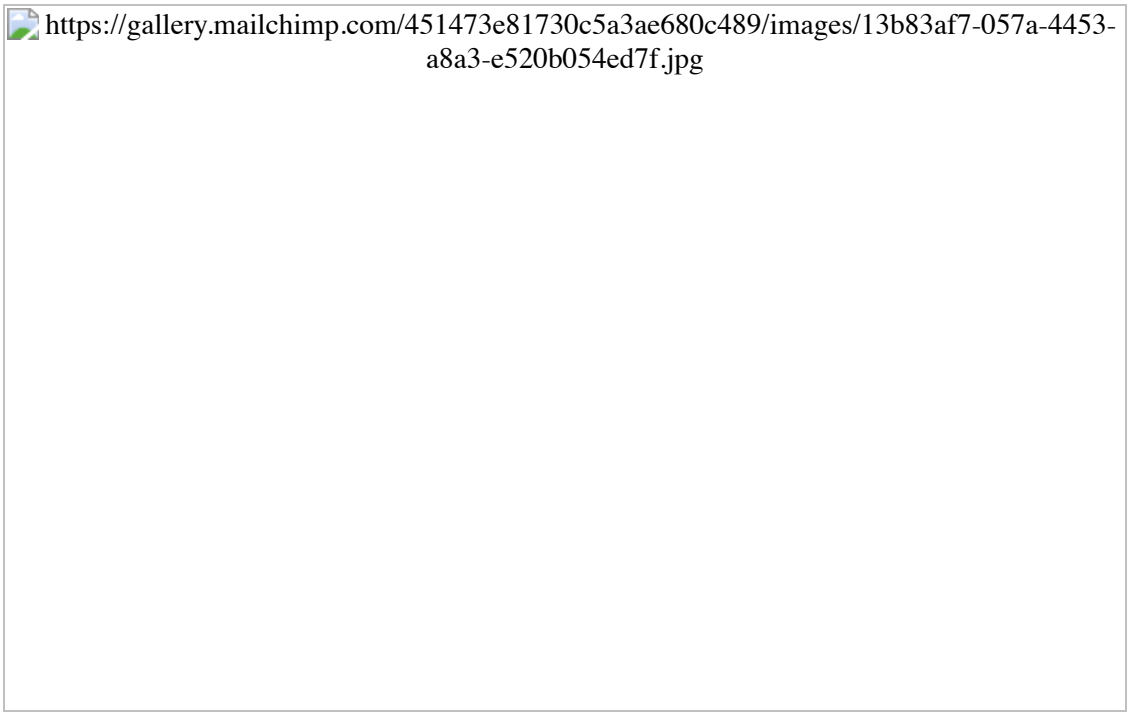
- The universe of negative yielding government as of late April 2016: $10tr
- Japan accounted for 2/3 while Europe was the balance
- Average yield: -24bps (or negative $24bn per annum in real money….)
- In 2006 these bonds yield 1.83% (or ~$180bn per annum)
- Ouch!

The next event for investors is the job number tomorrow. In other news, Gundlach (the King of contrarianism) tells investors to prepare for a Trump presidency…… Futures: +1. 10 year: 1.78%

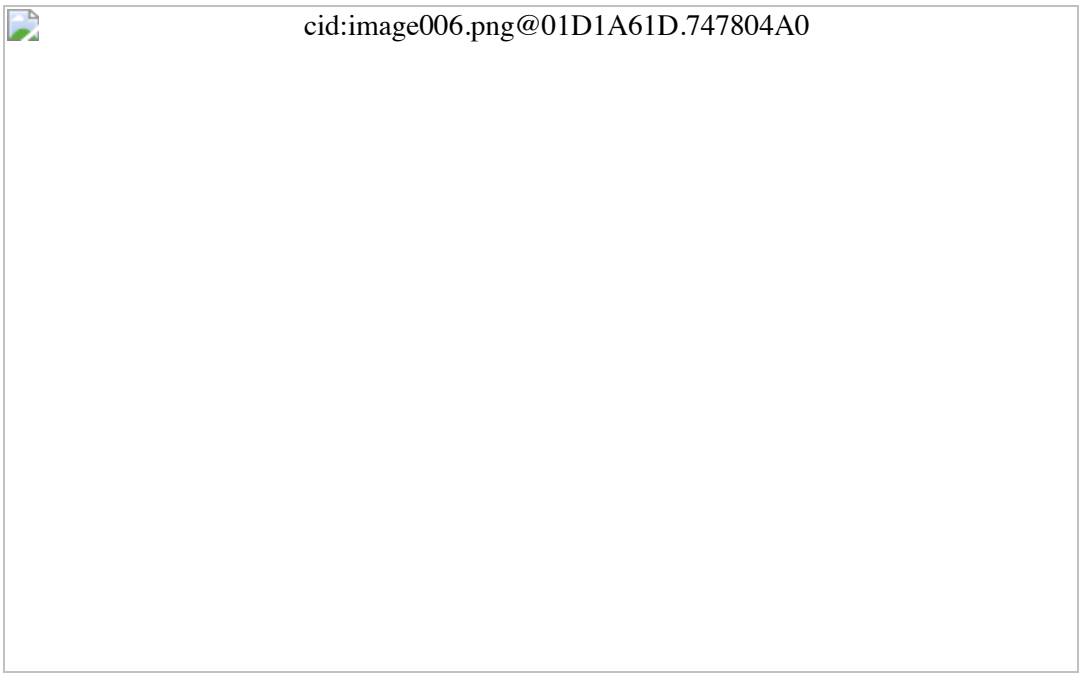
- Data: Claims: 274k (vs. 260k exp). Jobs tomorrow……

- Credit: The loan market was balanced while be accompanied by idiosyncratic price moves as earnings continue to hit the tape. The calendar remains light as cash balances are still elevated. There was another large redemption in HY ETFs last night. Between HYG and JNK, $800mm in redemptions and $2.5bn over past four days. Recall that HY was the first asset class we saw money flow (about $6.5bn) in early February with equities to follow in next several weeks. Hmmmmmm…..

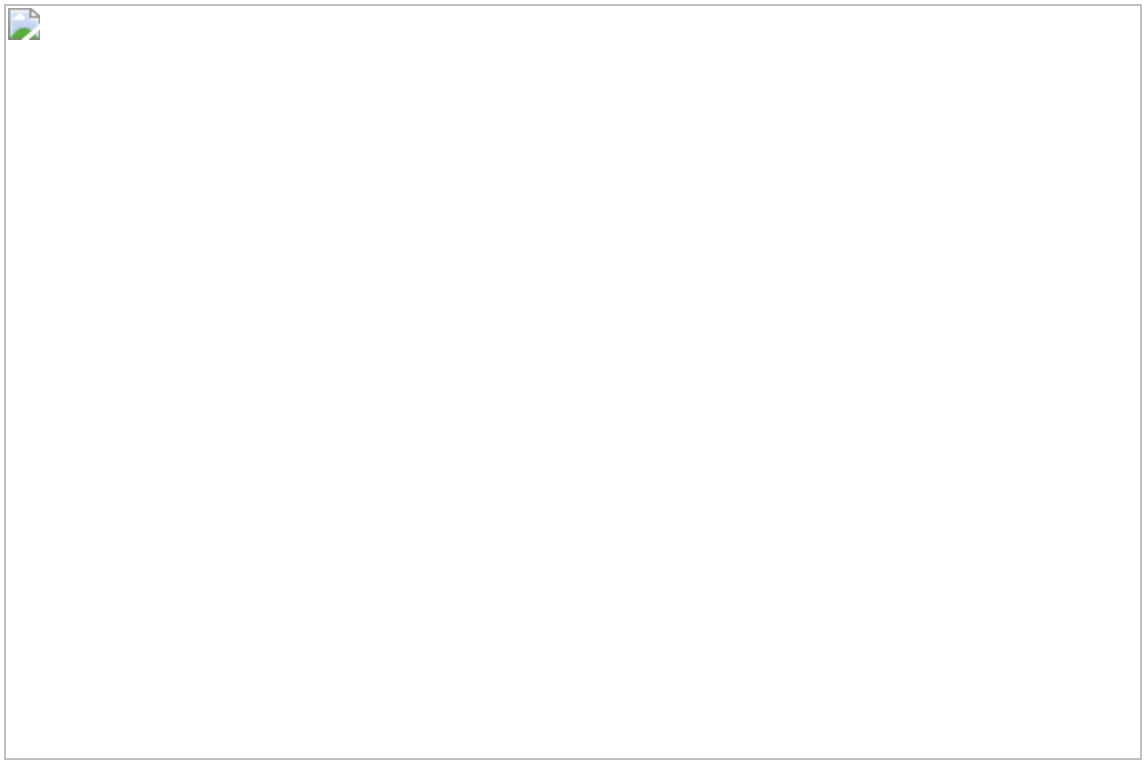
Buy loans!!!!



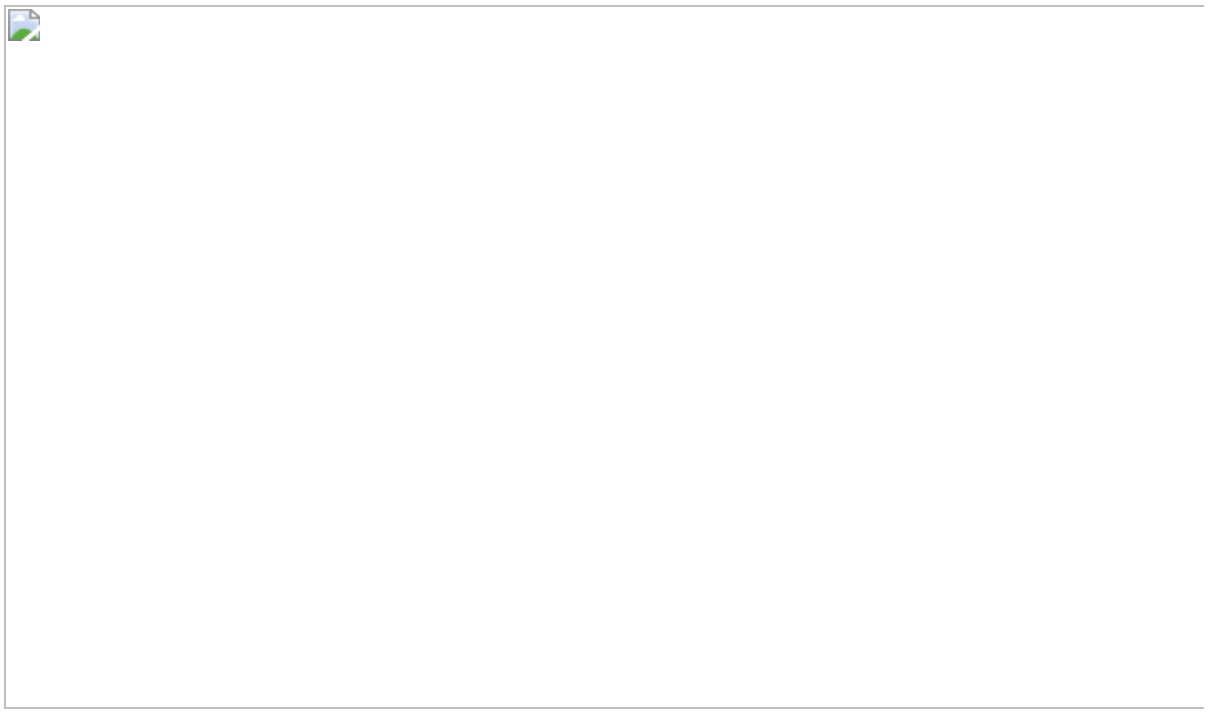
Credit Underperforming Equities (who's correct?...)



High Yield looks expensive to me….



Loans trading less than $80



https://gallery.mailchimp.com/451473e81730c5a3ae680c489/images/d2347f6f-b0ec-448d-9750-9ad2d80f7edc.jpg

- Charts of the day:

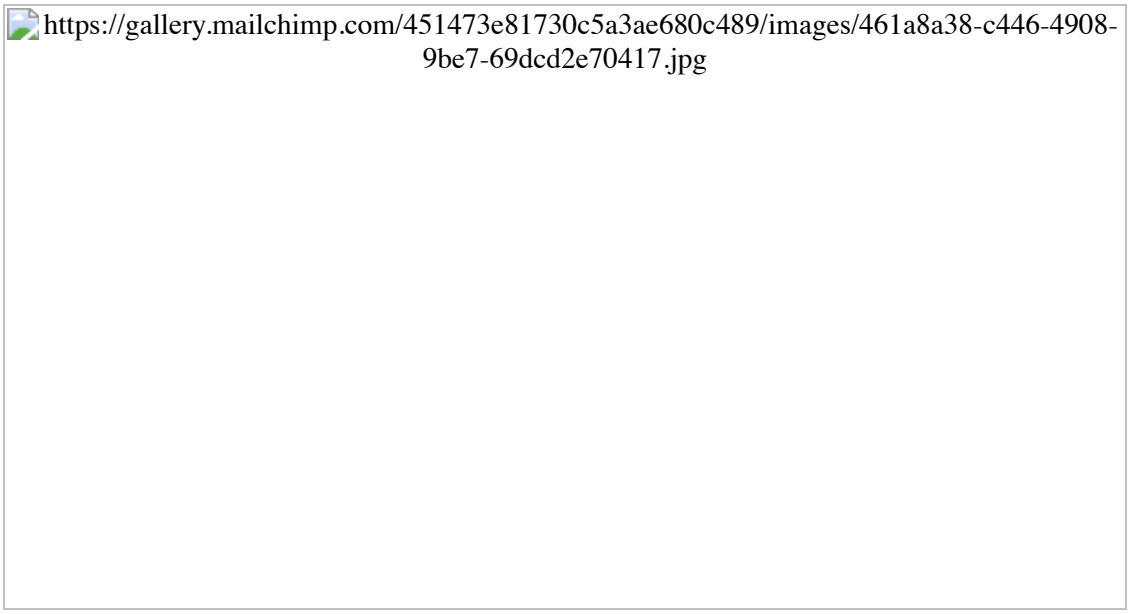
VIX

I smell a (further) slowing economy….

Productivity stalling….

Chop? (conflicting data! – I’m confused!)

Smaller businesses driving employment



At least someone is making money (thank you AHC)

- Other:
    - The next Valeant?..... http://www.wsj.com/articles/is-taxing-harvard-yale-and-stanford-the-answer-to-rising-college-costs-1462385402
    - Weaker Investment Income Stings Insurers' Results http://www.wsj.com/articles/weaker-investment-income-stings-insurers-results-1462396729?mod=wsj_nview_latest
    - Negative yielding bonds total near $10 trln, Japan leads http://www.reuters.com/article/global-bonds-negative-idUSL2N180188?feedType=RSS&feedName=bondsNews
    - Hacker 'Guccifer': I Got Inside Hillary Clinton's Server http://www.nbcnews.com/news/us-news/hacker-guccifer-i-got-inside-hillary-clinton-s-server-n568206
    - 35% seems light to me for that cast of sovereign characters…

- HY: 102 -1/32)
- IG: 83 ¾ (+1/4)
- CSLLI: 0.10% mtd / 3.35% ytd

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comparable results.

Finally, tax considerations, margin requirements, commissions and other transaction
significantly affect the economic consequences of any transaction concepts reference
communication and should be reviewed carefully with one’s investment and tax advis
not provide tax, accounting, or legal advice to our clients, and all investors are advise
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